

STATE OF MICHIGAN
COURT OF APPEALS

CHURCH OF GOD IN CHRIST, NORTH
CENTRAL JURISDICTION OF MICHIGAN,

UNPUBLISHED
December 17, 2002

Plaintiff Counter/Defendant-
Appellee,

v

CITY OF LANSING,

No. 236750
Ingham Circuit Court
LC No. 99-089841-CZ

Defendant Counter/Plaintiff-
Appellant.

Before: Owens, P.J., and Murphy and Cavanagh, JJ.

PER CURIAM.

Defendant appeals as of right the order granting summary disposition to plaintiff in this quiet title action. We affirm. This appeal is being decided without oral argument pursuant to MCR 7.214(E).

Defendant sought to purchase real estate for a redevelopment project from the Greater Joy Church of God in Christ. Plaintiff was the jurisdictional church with which the Greater Joy Church was affiliated. The board of trustees of the local church passed a corporate resolution authorizing Reverend Walter Osborn to act on behalf of the corporation in matters concerning the acquisition of the property by defendant. Osborn completed the sale, and signed a warranty deed to the city in his capacity as pastor and chairman of the Greater Joy Church.

Osborn absconded with a portion of the proceeds of the sale, and plaintiff brought this action to quiet title. Plaintiff has the burden of proof in a quiet title action, and must make a prima facie case of title. *Beulah Hoagland Appleton Qualified Personal Residence Trust v Emmet Co Rd Comm*, 236 Mich App 546, 550; 600 NW2d 698 (1999). If plaintiff makes a prima facie case, defendant has the burden of proving superior title. *Id.* An action to quiet title is equitable and is reviewed de novo, as is a trial court's grant of summary disposition. *Id.*

Plaintiff established a prima facie case by showing that the by-laws of the local church provided that real property was held in trust for the jurisdictional church, and the property could not be sold without the authorization of the bishop of the jurisdictional church. To establish its superior title, defendant presented the warranty deed executed by Reverend Osborn, and the

resolution of the church board of directors authorizing him to act on behalf of the corporation in any and all matters concerning the acquisition of church real estate by the city.

MCL 450.181 authorizes ecclesiastical corporations to adopt by-laws determining the degree to which the corporation shall be subject to the control of a higher church body, and the manner and condition under which real and personal property may be acquired, held, and disposed. The local church adopted a by-law providing that church property may only be disposed of upon approval of the membership, board of trustees, and the jurisdictional bishop. The by-law also provided that church property is subject to the parent body. The constitution of the parent body provided that property of the local church was held in trust for all members of the church.

The necessity of a written authorization to bind a party to an agreement signed by a third party is clearly set forth in the statute of frauds. MCL 566.106; *DeWald v Isola*, 180 Mich App 129, 135; 446 NW2d 620 (1989). The ecclesiastical corporation was allowed by statute to establish by-laws to determine the manner and condition under which it would dispose of real property. MCL 450.181 and 450.183. Defendant failed to ascertain if the agent it dealt with had the necessary authority to convey the property. The authority of an agent to contract for another must be determined from acts of the principal and cannot be proved by statements of the alleged agent. *Rohe Scientific Corp v National Bank of Detroit*, 133 Mich App 462, 469; 350 NW2d 280 (1984). Where the by-law required approval of the membership of the church and the jurisdictional bishop, neither Reverend Osborn nor the board of trustees had the authority to sell the property.

Defendant mistakenly relies on the argument that it was a bona fide purchaser for value without notice. The doctrine concerning bona fide purchasers arises in the context of competing purchasers, not, as here, in the context of whether there was authority to sell a parcel of property. MCL 565.29; see *Graves v American Acceptance Mortgage Corp*, 246 Mich App 1, 5; 630 NW2d 383 (2001). The case before us today is comparable to one where a person attempts to transfer property through forgery with the true owner having no intention to sell said property, and it is well-settled law that the purchaser, acquiring the property through the forged deed, is not a bona fide purchaser for value entitling the purchaser to rights in the title superior to the owner. *Horvath v National Mortgage Co*, 238 Mich 354, 360; 213 NW 202 (1927)(There is no such thing as a bona fide holder under a forgery, whose good faith gives him any rights against the party whose name has been forged.); *VanderWall v Midkiff*, 166 Mich App 668, 685; 421 NW2d 263 (1988)(“Where a deed is forged, those innocently acquiring interests under the forged deed are in no better position as to title than if they had purchased with notice.”).

Defendant did not present evidence showing that it had superior title, and the trial court properly granted summary disposition to plaintiff.

Affirmed.

/s/ Donald S. Owens
/s/ William B. Murphy
/s/ Mark J. Cavanagh